

**FINAL MINUTES OF THE
RULES COMMITTEE MEETING
August 15th, 2013 1:30 P.M.**

Call to order and roll call

The meeting was called to order by Frank Ugenti at 2:45 p.m.

Those Committee members present at roll call:

Frank Ugenti, Chairman of the Committee

Jeff Nolan

Mike Petrus, Vice Chairman of the Board

Joe Stroud

Staff Attendance:

Debra Rudd, Executive Director

Jeanne Galvin, Assistant Attorney General

Jeanne Hann, Rule Writer

Frank Ugenti read the first item on the agenda which was to approve the minutes of the July 31st, 2013 meeting. Mike Petrus motioned to approve the minutes and Joe Stroud seconded the motion. All voted in favor of the motion.

Frank Ugenti then read the next item on the agenda which was to continue the process of reviewing the current rules and what changes should be considered for the new SB1316, AMC rules, etc. He then reported that they would be focusing on Article 2 of the draft of the rules. He asked Jeanne Hann to explain the changes that have been made to the draft since the last meeting. She outlined in the draft, changes that had been made.

There was some question previously about how to handle the Supervisory Appraisers prior to 1/01/2015 and then after this date. Discussion about the qualifications of those wishing to be Supervisors ensued.

Joe Stroud asked why the trainee would not be given credit for experience if the Supervisor does not register them. Debra Rudd explained the differences between the rules that been in place since 2007 and what will be the process after 1/01/2015. After the 1/2015 criteria takes place, this will not be allowed to happen, as they will be linked in our new database system and the trainee will have to be registered prior to any experience being given.

Discussion then involved the number of hours that the Supervisory/Trainee class must have. The AQB Criteria is currently 4-hours minimum for this class. Joe Stroud brought up that if the AQB changes their mind sometime in the future to allow this class to only be 3-hours, should we not write the rules in a manner that would accommodate the change? The Committee thought this was a good question, and wanted the rules to

simply comply with the minimum hours required by AQB, rather than a set hour defined in the rules.

A question arose about Supervisors versus Mentors. Debra Rudd responded that they are different, thus the same criteria does not necessarily apply. A Supervisor must not have discipline within the past three years, while a Mentor's discipline has not been defined in this section of the rules. Mentor's are assisting those who have been disciplined by the Board. Their mentorship must be approved by the Board, along with other criteria discussed in a different Article of the Rules. This discussion led to the disclosure by Debra Rudd that the statute will need to be revised yet again this year to comply with a portion of the 2015 AQB Criteria about those who experienced having their license or certification revoked. Our current rule states that they may reapply for an appraisal credential after two years. However, the AQB Criteria states it is five years, and depending on what their history has been, they may never qualify again to be an appraiser. She informed the Committee that she will be meeting with the Governor's liaison on Tuesday, August 20th to discuss possible statute changes.

Discussion about R4-46-207 (E)(iii) on page 23 of this draft resulted in more questions regarding awarding credit for attendance at a Board meeting. Frank Ugenti asked why the attending a Board meeting for only two-hours could earn continuing education, when the other courses must be a minimum of three hours. Debra Rudd explained that the AQB had an interpretation on the Appraisal Foundation website regarding this topic and they granted two to seven hours for attendance at Board meetings. The attendance at a Board meeting does not follow the same criteria as a Board approved course. Discussion about whether credit should be given to those who are not on the agenda for discipline, but are on for other reasons, such as giving testimony of providing education to the Board. After more discussion by the Committee, they did not believe that a distinction should be made. If they are on official business, no continuing education credit should be given. The consensus was to leave this section of the draft as it is written now.

The Committee then began to focus on the Article 5 regarding Course Approval. Joanna Conde asked the Committee to refer to the recommendations that she had submitted. Mike Petrus informed her that one of the recommendations regarding receiving continuing education for courses that are given in other states is already in our rules. She then discussed the recommendation about Practicum Courses being approved to allow some experience credit to those who attend this course. Her recommendation is that 15 students per Instructor/Supervisor be allowed. Debra Rudd informed the Committee that the AQB has a guide note for those who attend this type of class, which they call a Practicum Course. The Application Committee would need to look at a significant sample of reports for quality and conformance with USPAP for this type of experience to be allowed. Discussion about how many hours would be allowed for this type of attendance. A guideline about what classes would be allowed and how many hours would be credited. Ms. Conde stated 125 to 150 hours could be allowed per semester. Frank Ugenti asked if this would be limited to an accredited college. Debra Rudd brought up she did not understand how this could comply with the AQB 2015 Criteria

when the trainee must go through a background check and have 90 hours of education (including the 15-hour USPAP course) prior to experience being given. She further stated that to her knowledge, no state has figured out how to offer the practicum courses. The Committee asked Debra Rudd to obtain further direction from the AQB about this topic.

The Committee then focused on page 36 of the draft, which deals with Article 5 for education course approval. Approval of course instructors was discussed, regarding the Board's authority or lack thereof, per statute. Jeanne Hann reported that she cannot find any authority by the Board to approve the instructors. In the draft this section has been stricken from the current rules. Frank Ugenti stated that he wanted more time to review Article 5, thus would like to table working on this Article until the next meeting.

Frank Ugenti then directed the Committee to focus on the fee section, which is a part of Article 1. Debra Rudd explained application fees for Trainee Appraisers and renewal fees for trainee registrations need to be set by this Committee. They also need to set the fee for those coming in by reciprocity. At the last meeting, the Committee asked her to research other states for the fees that they charge. She provided a list of fees charged by six different states. A discussion about AMC fees and bond amounts was discussed. A consensus by the Committee that they would like to have the bond amount increased was directed to Debra Rudd to see if this could be raised in statute.

The Appraiser Trainee application fee was discussed. Frank Ugenti suggested that the fee should be \$200.00. Mike Petrus thought it would be better at \$300.00. After additional discussion, the Committee decided to charge \$300.00 since the term of the application is three years. They then discussed the renewal fee should be the same as the original application, as this renewal period is also three years and the time to process this application is the same. The other fee for the Committee to discuss was the application for reciprocity. To be consistent with the other six states, the Committee agreed that the fees for reciprocity should be the same as those charged to other appraiser applicants, \$400.00.

AMC fees were discussed and compared to the other six states that were researched. No change was made.

Debra Rudd requested that the Committee consider separating Article 2 pertaining to Appraiser Trainees and Article 1 section 106 which pertains to fees. She said that if this could be done, she could open a docket with GRRC and fast track this section of the rules to address the registration of the trainees. By using this method for rules, there is still an opportunity for input from stakeholders.

Confirmation of Meeting Dates, Times and Locations

A discussion of the next meeting for Rules Committee was decided to be September 11th at 2:00 p.m. at the Board office conference room in Suite 103A. The Committee members will be appearing telephonically. There being no further business, the meeting then adjourned.

The Rules Committee meeting then adjourned at 4:45 p.m.